

Percentage method of withholding for 2.65 PERCENT LOCAL INCOME TAX

Payroll period	Amount of one exemption	15% allowance for Standard Deduction*	
		MIN	MAX
Weekly	\$ 61.54	\$ 32.69	\$ 49.09
Bi-weekly	\$ 123.08	\$ 65.38	\$ 98.08
Semi-monthly	\$ 133.33	\$ 70.84	\$ 106.25
Monthly	\$ 266.67	\$ 141.67	\$ 212.50
Quarterly	\$ 800.00	\$ 425.00	\$ 637.50
Annually	\$ 3,200.00	\$ 1,700.00	\$ 2,550.00
Daily	\$ 8.77	\$ 4.66	\$ 6.99

* The standard Deduction is 15% of the gross income with a minimum of \$1,700 and a maximum of \$2,550.

FORMULA

Total wages (before any deductions)

LESS Allowance for Standard Deduction (15% of wages for payroll period with a minimum and maximum as set forth for the particular payroll period)

LESS Value of exemptions (number of exemptions times the allowable amount for one exemption as shown for the applicable payroll period)

Equals TAXABLE INCOME

Note: The number of exemptions to be used in this formula is determined from the Form MW507 (Maryland Employee Exemption Certificate) filed by your employee. Form MW507 is available on our Web site at www.marylandtaxes.gov.

(a) Married Filing Joint or Head of Household

Withholding - Weekly payroll period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$96.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 2,885		7.40%	
\$ 2,885	\$ 3,365	213.46 plus 7.65%		\$ 2,885
\$ 3,365	\$ 4,327	250.24 plus 7.90%		\$ 3,365
\$ 4,327	\$ 5,769	326.20 plus 8.15%		\$ 4,327
\$ 5,769	--	443.75 plus 8.40%		\$ 5,769

Withholding - Bi-Weekly payroll period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$192.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 5,769		7.40%	
\$ 5,769	\$ 6,731	426.92 plus 7.65%		\$ 5,769
\$ 6,731	\$ 8,654	500.48 plus 7.90%		\$ 6,731
\$ 8,654	\$ 11,538	652.40 plus 8.15%		\$ 8,654
\$ 11,538	--	887.50 plus 8.40%		\$ 11,538

Withholding - Semi-Monthly payroll period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$208.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 6,250		7.40%	
\$ 6,250	\$ 7,292	462.50 plus 7.65%		\$ 6,250
\$ 7,292	\$ 9,375	542.19 plus 7.90%		\$ 7,292
\$ 9,375	\$ 12,500	706.77 plus 8.15%		\$ 9,375
\$ 12,500	--	961.46 plus 8.40%		\$ 12,500

Withholding - Monthly payroll period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$417.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 12,500		7.40%	
\$ 12,500	\$ 14,583	925.00 plus 7.65%		\$ 12,500
\$ 14,583	\$ 18,750	1,084.38 plus 7.90%		\$ 14,583
\$ 18,750	\$ 25,000	1,413.54 plus 8.15%		\$ 18,750
\$ 25,000	--	1,922.92 plus 8.40%		\$ 25,000

(b) Single including Married Filing Separately or Dependent

Withholding - Weekly payroll period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$96.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 1,923		7.40%	
\$ 1,923	\$ 2,404	142.31 plus 7.65%		\$ 1,923
\$ 2,404	\$ 2,885	179.09 plus 7.90%		\$ 2,404
\$ 2,885	\$ 4,808	217.07 plus 8.15%		\$ 2,885
\$ 4,808	--	373.80 plus 8.40%		\$ 4,808

Withholding - Bi-Weekly payroll period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$192.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 3,846		7.40%	
\$ 3,846	\$ 4,808	284.62 plus 7.65%		\$ 3,846
\$ 4,808	\$ 5,769	358.17 plus 7.90%		\$ 4,808
\$ 5,769	\$ 9,615	434.13 plus 8.15%		\$ 5,769
\$ 9,615	--	747.60 plus 8.40%		\$ 9,615

Withholding - Semi-Monthly payroll period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$208.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 4,167		7.40%	
\$ 4,167	\$ 5,208	308.33 plus 7.65%		\$ 4,167
\$ 5,208	\$ 6,250	388.02 plus 7.90%		\$ 5,208
\$ 6,250	\$ 10,417	470.31 plus 8.15%		\$ 6,250
\$ 10,417	--	809.90 plus 8.40%		\$ 10,417

Withholding - Monthly payroll period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$417.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 8,333		7.40%	
\$ 8,333	\$ 10,417	616.67 plus 7.65%		\$ 8,333
\$ 10,417	\$ 12,500	776.04 plus 7.90%		\$ 10,417
\$ 12,500	\$ 20,833	940.63 plus 8.15%		\$ 12,500
\$ 20,833	--	1,619.79 plus 8.40%		\$ 20,833

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Quarterly	\$ 800.00	\$ 425.00	\$ 637.50
Annually	\$ 3,200.00	\$ 1,700.00	\$ 2,550.00
Daily	\$ 8.77	\$ 4.66	\$ 6.99

* The standard Deduction is 15% of the gross income with a minimum of \$1,700 and a maximum of \$2,550.

FORMULA

Total wages (before any deductions)

LESS Allowance for Standard Deduction (15% of wages for payroll period with a minimum and maximum as set forth for the particular payroll period)

LESS Value of exemptions (number of exemptions times the allowable amount for one exemption as shown for the applicable payroll period)

Equals TAXABLE INCOME

Note: The number of exemptions to be used in this formula is determined from the Form MW507 (Maryland Employee Exemption Certificate) filed by your employee. Form MW507 is available on our Web site at www.marylandtaxes.gov.

(a) Married Filing Joint or Head of Household

Withholding - Quarterly payroll period DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$1,250.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 37,500		7.40%	
\$ 37,500	\$ 43,750	2,775.00	plus 7.65%	\$ 37,500
\$ 43,750	\$ 56,250	3,253.13	plus 7.90%	\$ 43,750
\$ 56,250	\$ 75,000	4,240.63	plus 8.15%	\$ 56,250
\$ 75,000	--	5,768.75	plus 8.40%	\$ 75,000

Withholding - Daily payroll period DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$13.70

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 412		7.40%	
\$ 412	\$ 481	30.49	plus 7.65%	\$ 412
\$ 481	\$ 618	35.75	plus 7.90%	\$ 481
\$ 618	\$ 824	46.60	plus 8.15%	\$ 618
\$ 824	--	63.39	plus 8.40%	\$ 824

Withholding - Annual payroll period DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$5,000.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 150,000		7.40%	
\$ 150,000	\$ 175,000	11,100.00	plus 7.65%	\$ 150,000
\$ 175,000	\$ 225,000	13,012.50	plus 7.90%	\$ 175,000
\$ 225,000	\$ 300,000	16,962.50	plus 8.15%	\$ 225,000
\$ 300,000	--	23,075.00	plus 8.40%	\$ 300,000

(b) Single including Married Filing Separately or Dependent

Withholding - Quarterly payroll period DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$1,250.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 25,000		7.40%	
\$ 25,000	\$ 31,250	1,850.00	plus 7.65%	\$ 25,000
\$ 31,250	\$ 37,500	2,328.13	plus 7.90%	\$ 31,250
\$ 37,500	\$ 62,500	2,821.88	plus 8.15%	\$ 37,500
\$ 62,500	--	4,859.38	plus 8.40%	\$ 62,500

Withholding - Daily payroll period DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$13.70

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 275		7.40%	
\$ 275	\$ 343	20.33	plus 7.65%	\$ 275
\$ 343	\$ 412	25.58	plus 7.90%	\$ 343
\$ 412	\$ 687	31.01	plus 8.15%	\$ 412
\$ 687	--	53.40	plus 8.40%	\$ 687

Withholding - Annual payroll period DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$5,000.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 100,000		7.40%	
\$ 100,000	\$ 125,000	7,400.00	plus 7.65%	\$ 100,000
\$ 125,000	\$ 150,000	9,312.50	plus 7.90%	\$ 125,000
\$ 150,000	\$ 250,000	11,287.50	plus 8.15%	\$ 150,000
\$ 250,000	--	19,437.50	plus 8.40%	\$ 250,000

Lump Sum Distribution of Annual Bonus
The amount to be withheld shall be
8.40%